

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL MEETING**

April 25, 2012
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Mayor Hugh Hallman, Tempe, Chair | Mayor Thomas Schoaf, Litchfield Park |
| Vice Mayor Stephanie Karlin for Mayor Marie Lopez Rogers, Avondale | Supervisor Max W. Wilson, Maricopa Co. |
| * Councilwoman Robin Barker, Apache Junction | Mayor Scott Smith, Mesa |
| Mayor Jackie Meck, Buckeye | Vice Mayor Mary Hamway for Mayor Scott LeMarr, Paradise Valley |
| Mayor David Schwan, Carefree | Mayor Bob Barrett, Peoria |
| Councilman Dick Esser, Cave Creek | Mayor Greg Stanton, Phoenix |
| # Mayor Jay Tibshraeny, Chandler | # Mayor Gail Barney, Queen Creek |
| Mayor Lana Mook, El Mirage | * President Diane Enos, Salt River |
| * President Clinton Pattea, Fort McDowell Yavapai Nation | Pima-Maricopa Indian Community |
| Mayor Jay Schlum, Fountain Hills | Mayor W. J. "Jim" Lane, Scottsdale |
| * Mayor Ron Henry, Gila Bend | Mayor Sharon Wolcott, Surprise |
| * Governor Gregory Mendoza, Gila River Indian Community | * Mayor Adolfo Gamez, Tolleson |
| Mayor John Lewis, Gilbert | Councilman Rui Pereira, Wickenburg |
| # Mayor Elaine Scruggs, Glendale | Mayor Michael LeVault, Youngtown |
| Mayor Georgia Lord, Goodyear | Victor Flores, State Transportation Board |
| * Mayor Yolanda Solarez, Guadalupe | Joseph La Rue, State Transportation Board |
| | # Roc Arnett, Citizens Transportation Oversight Committee |
- * Those members neither present nor represented by proxy.
Attended by telephone conference call. + Attended by videoconference

1. **Call to Order**

The meeting of the MAG Regional Council was called to order by Chair Hugh Hallman at 11:30 a.m.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

Chair Hallman noted that Roc Arnett, Mayor Gail Barney, Mayor Elaine Scruggs, and Mayor Jay Tibshraeny were participating in the meeting by teleconference.

Chair Hallman noted that a memorandum for agenda item #6 would be handed out. He announced that Mayor Tom Schoaf, as Past Chair of the Regional Council, was the Chair of the Nominating Committee. The other members of the Nominating Committee include Mayor Jay Tibshraeny, City of Chandler; Mayor Lana Mook, City of El Mirage; Mayor Jay Schlum, Town of Fountain Hills; and Supervisor Max W. Wilson, Maricopa County.

Chair Hallman requested that members of the public who would like to comment fill out a blue public comment card for the Call to the Audience agenda item or a yellow public comment card for Consent Agenda items, or items on the agenda for action. Transit tickets for those who used transit to attend the meeting were available from staff.

3. Call to the Audience

Chair Hallman noted that the Call to the Audience provides an opportunity to members of the audience who wish to speak on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested to not exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

Chair Hallman noted that no public comment cards had been received.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest in the MAG region. He reported on a nearshoring study that was conducted by the Thunderbird School of Global Management. Mr. Smith displayed a graph that showed the a comparison between wages in China and Mexico and he noted that wages started out lower in China, but because they are increasing, Mexico is becoming more competitive. Mr. Smith noted that Mexico's industry is heavily focused on aerospace and automotive. He displayed a graph that showed the dollar amounts of imports from Mexico to Texas, California, and Arizona from 2004 to 2010. He noted that imports to Texas have risen sharply while imports to Arizona have remained virtually flat. Mr. Smith then spoke about Canada as a significant trading partner with Arizona. He stated that Canadian owned companies employ more than 13,000 people in 736 locations in Arizona. Mr. Smith stated that the event with Canadian business that was canceled will be rescheduled.

Mr. Smith stated that the Transportation Research Board's Peer Exchange on Transportation Planning by Metropolitan Planning Organizations for Megaregions will take place on May 9 and 10, 2012, at the MAG Office. He stated that federal, state, regional and local agencies have been invited to the event.

Mr. Smith stated that three new Mesa park-and-ride lots were dedicated April 24, 2012. He noted that the projects were built using MAG stimulus funds. Mr. Smith stated that Mr. Leslie Rogers from Federal Transit Administration, Region IX participated in the dedication.

Mr. Smith encouraged members to link their websites to the Greater Phoenix Rising website in order to increase traffic. He noted that to-date, Litchfield Park had linked to the Greater Phoenix Rising website.

Mayor Smith requested that MAG staff send an email to the MAG Management Committee copying the Regional Council with the details.

Mr. Smith reported that the American Lung Association had issued a report that progress had been made in improving the region's air quality. He then played a trailer of the shortened version of the air quality video produced by MAG. He stated that the video will be sent to municipal cable channels.

Chair Hallman thanked Mr. Smith for his report and asked members if they had questions.

Mr. Arnett reported that he has noticed that approximately 150-200 cars already are using each of the new park and ride lots even though they had just opened.

5. Approval of Consent Agenda

Chair Hallman noted that agenda items #5A, #5B, #5C, #5D, #5E, and #5F were on the Consent Agenda. He noted that no public comment cards had been received. Chair Hallman asked members if they had questions or requests to hear an item individually. None were noted.

Councilman Esser moved to approve the Consent Agenda. Mayor Schoaf seconded, and the motion passed unanimously.

5A. Approval of the March 28, 2012, Meeting Minutes

The MAG Regional Council, by consent, approved the March 28, 2012, meeting minutes.

5B. Arterial Life Cycle Program Status Report

The Arterial Life Cycle Program (ALCP) Status Report provides an update on ALCP projects scheduled for work and/or reimbursement in the current fiscal year, program deadlines, revenues, and finances for the period between October 2011 and March 2012.

5C. Project Changes - Amendment and Administrative Modification to the FY 2011-2015 MAG Transportation Improvement Program

The MAG Regional Council, by consent, approved amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, the FY 2012 Arterial Life Cycle Program and to the Regional Transportation Plan 2010 Update, as appropriate. The Fiscal Year (FY) 2011-2015 Transportation Improvement Program (TIP) and Regional Transportation Plan 2010 Update, were approved by the MAG Regional Council on July 28, 2010 and have been modified 13 times with the last amendment approved by the Regional Council on March 28, 2012. Since then, there have been requests

from the Arizona Department of Transportation (ADOT), cities, and Maricopa County to modify projects in the program. The listings in Table A (modifications to the TIP) and Table B (non-TIP) are for the FY 2012 Arterial Life Cycle Program (ALCP) that includes changes to the Northern Parkway project which Maricopa County is requesting to advance construct Phase II. All changes to Northern Parkway relate to an updated cost and work schedule. The fiscal balance for funds programmed for this project per year are maintained. These adjustments are necessary for the project to move forward. Table C are project change requests from ADOT, Mesa, Phoenix, and Scottsdale which contain clerical and minor adjustments to financial information on several projects, one project deletion, one project split, one new design project, and two pavement preservation projects. Table D are project change requests from ADOT that meet the MAG Regional Freeway Program definition of Material Cost Changes. All of the projects to be added and modified may be categorized as exempt from conformity determinations and administrative modifications do not require a conformity determination. The requested changes were recommended for approval by the MAG Management Committee on April 11, 2012, and the Transportation Policy Committee on April 18, 2012.

5D. FY 2012 Section 5310 Elderly Individuals and Individuals with Disabilities Transportation Program Priority Listing of Applicants

The MAG Regional Council, by consent, approved forwarding the priority listing of applicants for the FY 2012 FTA Elderly Individuals and Individuals with Disabilities Transportation Program to the Arizona Department of Transportation. The Federal Transit Administration (FTA) provides Section 5310, Elderly Individuals and Individuals with Disabilities Transportation Program funding, to the Arizona Department of Transportation (ADOT). These capital assistance awards support agencies and public bodies that provide transportation services for older adults and for people who have a disability. The councils of governments, including MAG, prepare priority listings of applications for ADOT to be used when determining awards. On March 21, 2012, the MAG FTA Elderly and Persons with Disabilities Transportation Program Ad Hoc Committee met to interview all applicants and develop a priority listing. This year, 19 agencies submitted applications, which include requests for 43 vans, four mobility management projects, and related software and hardware. All 19 applications were recommended to be awarded. Approximately \$3.9 million is available statewide for funding this year's projects. This funding comprises traditional FTA 5310 formula funds and federal Surface Transportation Program (STP) Flexible Funds. Applicants within small and large urban planning regions are eligible for STP funding if they can substantiate predominately rural routes or service areas within these regions. The priority listing of applicants for FY 2012 Section 5310 Elderly Individuals and Individuals with Disabilities Transportation Program was recommended to be forwarded to ADOT on March 21, 2012, the MAG Ad Hoc Elderly and Persons with Disabilities Transportation Committee and by the MAG Management Committee on April 11, 2012.

5E. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2011-2015 MAG Transportation Improvement Program (TIP) and Regional Transportation Plan 2010 Update. The amendment and administrative modification involve several projects, including modifications to Maricopa County Northern Parkway

projects in the Arterial Life Cycle Program, and revisions to several Arizona Department of Transportation projects. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination. Comments were requested by April 20, 2012.

5F. Status of Remaining MAG Approved PM-10 Certified Street Sweeper Projects That Have Not Requested Reimbursement

A status report is being provided on the remaining PM-10 certified street sweeper projects that have received approval, but have not requested reimbursement. To assist MAG in reducing the amount of obligated federal funds carried forward in the MAG Unified Planning Work Program and Annual Budget, MAG is requesting that street sweepers be purchased and reimbursement be requested by the agency within one year plus ten calendar days from the date of the MAG authorization letter.

6. Nominating Committee

The MAG Nomination Process provides for the Chair of the Regional Council to appoint a five-member Nominating Committee at the April Regional Council meeting. The past Chair of the Regional Council, if still a current member of the Council, will serve as committee Chair. If the past chair of the Regional Council is not a current member of the Council, the Chair also appoints the Nominating Committee Chair. In accordance with this process, the following appointments are made:

Mayor Tom Schoaf, City of Litchfield Park, Chair
Mayor Jay Tibshraeny, City of Chandler
Mayor Lana Mook, City of El Mirage
Mayor Jay Schlum, Town of Fountain Hills
Supervisor Max W. Wilson, Maricopa County

The Nominating Committee is charged with developing a slate of officers: Chair, Vice Chair, Treasurer, the past Chair, and three at-large members. If the Past Chair is not a current member of the Council, the Nominating Committee nominates an additional at-large member. The Nomination Process requires that the Committee provide a balanced slate of candidates. These nominations are forwarded to all Regional Council members at least two weeks prior to the annual meeting in June.

7. Regional Freeway and Highway Life Cycle Program Update

Bob Hazlett, MAG Senior Engineer, reported on a new effort to balance the Regional Freeway and Highway Program Life Cycle Program, which is facing a deficit of approximately \$390 million. Mr. Hazlett noted that a report on the 2012 rebalancing had been presented to the MAG Transportation Review Committee, the MAG Management Committee, and Transportation Policy Committee, but had been revised based on feedback to be more graphical.

Mr. Hazlett displayed a map of recently completed construction on the Regional Freeway Program and advised that the MAG high occupancy vehicle (HOV) system is now the fourth largest in the nation,

behind Seattle, San Francisco, and Los Angeles. Mr. Hazlett displayed a map of projects under construction that include Loop 303 from I-10 to US-60 and US-60 reconstruction.

Mr. Hazlett then described projects under study by ADOT, which include US-60/Grand Avenue Loop 303 to Loop 101 intersection improvements; Interstate 17, I-10 Split to Loop 101, add lanes and a corridor study/environmental impact statement (EIS); Loop 202/South Mountain EIS/Design Concept Report; Loop 101, I-17 to Loop 202 add lanes; Loop 202, Loop 101 to Gilbert Road, add lanes; Interstate 10, SR-51 to Loop 202, add lanes and a corridor study/EIS; Loop 101, US-60 to Loop 202, add lanes.

Mr. Hazlett reported on key MAG studies underway that include Central Phoenix Transportation Framework Study, the Southeast Corridor Major Investment Study, the MAG Managed Lanes Network Development Strategy – Phase I (System-Wide), and the US-60/Grand Ave COMPASS study.

Mr. Hazlett displayed a projected timeline for the Program's cash flow and he noted that there are severe negative balances in 2015 and 2016 where ADOT's bonding capacity has been impacted by lower gas tax and sales tax revenue estimates. Mr. Hazlett stated that MAG and ADOT are identifying opportunities for cost savings, and looking at cash flow, costs, and timelines for major program items. He stated that ADOT has been doing a good job of monitoring costs and there have been favorable bids, but there is still a projected deficit of \$390 million, in addition to the \$6.6 billion that was balanced in 2009.

Mr. Hazlett noted that due to cash flow, the Loop 202/South Mountain and the I-10/Maricopa Freeway projects cannot be constructed simultaneously and need to be done sequentially. Mr. Hazlett noted that one of the options to be looked at in the rebalancing is swapping the start times between the two projects and starting the Loop 202/South Mountain project first.

Mr. Hazlett stated that the following principles for balancing the program were considered: 1). Do not change timing for immediate construction projects on Loop 303 and US-60/Grand Avenue; 2). Look at cash-flow, costs, and timelines for major program items; 3). Programs on US-60/Grand Avenue and HOV lanes on SR-202L/Red Mountain-Santan Freeways leave unaffected; 4). Twelve scenarios considered – four advanced - as best case for balancing and meeting cash-flow projections. Mr. Hazlett stated that overall, the Regional Freeway and Highway Program is a \$9.6 billion program; \$3.5 billion has been obligated through December 2011 and approximately \$6.1 billion remains through 2026 when the Proposition 400 sales tax sunsets.

Mr. Hazlett summarized major items in Scenario 8: to defer the general purpose lanes Loop 101, I-17 to Loop 202, Loop 202, Loop 101 to Gilbert Road, and Loop 101, US-60 to Loop 202, however, a cost/benefit analysis found that not adding general purpose lanes to those three corridors would be a disbenefit to the region. Mr. Hazlett noted that Scenario 8 includes adding lanes on Loop 303 and I-17.

Mr. Hazlett stated that Scenario 10a would reduce the I-17 project by \$300 million. He noted that I-17 is currently in the EIS process and \$1 billion is allocated to the corridor. He noted that this corridor could be a candidate for a managed lanes Public Private Partnership (P3), leveraging Proposition 400 funds. Mr. Hazlett stated that Scenario 10a would reduce the Loop 303 project between US-60 and I-17

by \$80 million, based on the favorable bids that have been received. He added that bid savings were realized from the SR-24 project and were turned back into the program. Mr. Hazlett stated that Scenario 10a retains adding lanes and the new South Mountain Freeway corridor.

Mr. Hazlett then described Scenario 10b, which includes deferring the fifth and sixth lanes on Loop 303 from US-60 to I-17. Mr. Hazlett noted that the facility is a four lane divided roadway, two lanes in each direction, from I-17 to Grand Avenue with posted speeds of 65 m.p.h., and it provides access to the Peoria and Phoenix areas. Mr. Hazlett stated that this roadway mostly goes through an undeveloped area of state land and originally, a lot of development was envisioned for this area. He indicated that this development did not happen due to the economic crash, and an option was developed because of the possibility of economic development of warehousing and distribution industries in the Goodyear area, where the segment on Loop 303 from I-10 to MC-85 would be built. He noted that this segment had been deferred to the fifth phase of the RTP outside the Proposition 400 funding in 2009. Mr. Hazlett noted that with the economic situation, it might make sense to defer the Loop 303 project in 10a and return the Loop 303 project in 10b to the program. He noted that the costs for either project are virtually the same. Mr. Hazlett stated that a cost/benefit analysis found that for every dollar spent on the Loop 303 I-10 to MC-85 project would return more than five dollars in benefits.

Mr. Hazlett then addressed Scenario 12, which is similar to Scenario 10a, and swaps the priorities of I-10 and the South Mountain Freeway. He said that the widenings on Loops 101 and 202 were retained. Mr. Hazlett stated that there could be a Scenario 12b. He noted that MAG staff is pursuing detail on a modified scenario by ADOT.

Chair Hallman thanked Mr. Hazlett for his presentation and asked members if they had questions.

Supervisor Wilson asked the status of construction where Loop 303 joins I-10. Mr. Hazlett replied that the north side of the traffic interchange currently is under construction and is a part of the Loop 303 project scheduled to be open by 2014. Mr. Hazlett stated that there are opportunities for cost savings if this project is returned to the program. Supervisor Wilson stated that he did not think he was suggesting that and if we did not build it we could save a whole lot more. He stated that another project he was concerned with is diverting traffic off I-17 with Loop 303 and he asked if there were any statistics that showed this. Mr. Hazlett replied that the numbers from the traffic modeling show that this does divert traffic from I-17 and that the current construction does hold the level of service as far as being able to take traffic from I-17.

Mayor Barrett asked how long the level of service would hold. Mr. Hazlett replied that the level of service holds up through the 2026 horizon. He said that by deferring this project, construction would go to phase five of the Regional Transportation Plan (the five year period after 2026). Mr. Hazlett stated that the modeling has not been done to 2031, but by the numbers he has seen, he would suspect the level of service would hold up until 2031.

Supervisor Wilson asked the impact of the opening of Loop 303 on I-10 traffic coming into Phoenix. Mr. Hazlett replied that it helps traffic somewhat on I-10 but helps I-17 more. He added that it does help

I-10 with bypassing traffic, but the numbers are fairly small because most of the traffic on I-10 is headed to Phoenix.

Supervisor Wilson asked if this was due to the fact there is no other option. Mr. Hazlett noted that people coming from Los Angeles to Flagstaff have the option to take I-15 to Barstow and then take I-40 to Flagstaff.

Chair Hallman noted that this is a painful process. He recalled that when he was first involved, the finish time for the I-10/Broadway curve/US-60 connection was 2007. Chair Hallman noted that this was negotiated in 1999 or 2000.

8. Update on Border Support Resolution and Brookings Metropolitan Business Planning Initiative

Mr. Smith led off this agenda item with an update on the Resolution of Support for the Arizona ports of entry. He said that the Resolution was adopted by the MAG Regional Council on March 28, 2012. Mr. Smith reported that the Central Arizona Association of Governments (CAAG), the, the Pima Association of Governments (PAG), the SouthEastern Arizona Governments Organization (SEAGO), and the Western Arizona Council of Governments (WACOG) and the Yuma Metropolitan Planning Organization (YMPO) passed the Resolution. He noted that the Central Yavapai Metropolitan Planning Organization (CYMPO) passed a similar resolution, and the Northern Arizona Council of Governments (NACOG) is considering the resolution on April 26, 2012. Mr. Smith noted that to address the border trade issue MAG is working with the City of Avondale and the League of Arizona Cities and Towns. He expressed appreciation for the Governor's leadership on this issue and noted that ADOT is forming a Transportation and Trade Corridor Alliance.

Amy St. Peter, MAG Human Services and Special Projects Manager, continued the presentation with a report on the Metropolitan Business Planning Initiative. She stated that last May, the MAG Regional Council approved the submission of the region's proposal to the Brookings Institution to participate in the Metropolitan Business Planning Initiative. Ms. St. Peter advised that the goal of this initiative is to adapt the discipline of private-sector business planning to revitalizing regional development.

Ms. St. Peter stated that such planning provides a framework through which regional business, civic, and government leaders can analyze the market position of their region; identify strategies by which to capitalize on their unique assets; specify catalytic products, policies, and interventions; and establish detailed operational and financial plans. These plans can then, in turn, be used to realign economic development efforts to be more effective.

Ms. St. Peter stated that MAG is sharing this round with Memphis, Tennessee; Syracuse, New York; and Louisville/Lexington, Kentucky. Puget Sound, the Twin Cities, and northeast Ohio were conducted in the first round. Ms. St. Peter stated that data are currently being analyzed to determine which have the most potential, such as clean energy. She said that clean energy companies need affordable land, sun and water. An initiative in this area would also leverage and promote the work of the Greater Phoenix Economic Council.

Ms. St. Peter stated that another option for a lead initiative could be a center for unmanned systems. Aerospace and defense is a legacy cluster anchored by large corporations and more than 100 smaller certified aerospace suppliers are present in the market as well. Ms. St. Peter stated that the focus is looking for cross applications to speed up innovation and commercial application.

Ms. St. Peter stated that the next steps include convening industry leadership to better understand technology applications and needs; fine-tuning the strategic overview with analysis highlights; prioritizing services that respond to a specific market niche in the business plan; and premiering the plan in Washington, D.C., this fall.

Chair Hallman thanked Ms. St. Peter for her report. He noted that no public comment cards had been received. Chair Hallman asked members if there were questions.

Mr. Smith stated that there are many organizations working on this effort, including the Arizona Commerce Authority, the Greater Phoenix Economic Council, Greater Phoenix Leadership, WESTMARC, and the East Valley Partnership, but he thought it was important for the elected officials to have an opportunity to discuss the Metropolitan Business Plan.

Mayor Lewis asked the key milestones and timeframe. Ms. St. Peter stated that the first draft of the Metropolitan Business Plan is due the end of May or beginning of June. She said that the prospectus will be developed after this to solicit public, private, and civic support and is due July 2. Ms. St. Peter reported that the final Metropolitan Business Plan is due to Brookings with a full and completed overview by August 27, and the launch is scheduled for October. Ms. St. Peter stated that MAG is one of the three out of seven organizations chosen as a case study. She said that Brookings wants to document the lessons learned from these processes.

Mayor Lewis asked if staff had received the assistance needed from member agencies. Ms. St. Peter replied that staff will be setting up the industry interviews and roundtables and stakeholder and advisory groups and would keep members informed. She added that it would be greatly appreciated if members ensured that the right people are at the table.

Mayor Schoaf stated that he had been involved in this process since the beginning, both through the Economic Development Committee and the Regional Council. He noted that there have been concerns about the Metropolitan Business Plan process and who is involved. Mayor Schoaf stated that this is an effort that takes into account a vast number of different entities across the Valley and the state. He noted that the EDC has been involved in the Metropolitan Business Plan process since the beginning, but the effort has not been EDC-only, but GPL, GPEC, ACA, community colleges, and Arizona State University, and a whole range of inputs is being brought into this process. Mayor Schoaf stated that he thought it was worth the effort and risk for MAG to pursue. He explained that at the time the project began, where it would go and the benefits received were unknown. Mayor Schoaf stated that a number of groups were brought in that normally do not work together, such as Thunderbird School of Global Management, to work on a regionwide issue of how are we going to be competitive in the global economy. Mayor Schoaf stated that private business also was brought into this process in the form of investment bankers who could attract global investment if the outcome makes business sense. He said

that the measure of its success is whether it can attract private investment and if it cannot, it is not worthwhile to pursue. Mayor Schoaf stated that this task is a work in progress. He mentioned that there has been friction among the players at times but that mostly has been worked through and kept on track. Mayor Schoaf stated that the potential benefit to the region is tremendous and the cost is quite small. He expressed that he was pleased with the progress to-date. Mayor Schoaf stated that the effort is not close to being finished, but the business consultants are happy with the progress so far. He commented about ending up with an initiative on which they can build a business model to attract private investment in other parts of the world. Mayor Schoaf stated that they have vetted ideas with potential investment sources and have received positive comments. He said that he thought this project had a lot of potential and he hoped it would be seen through to the end, solidify an initiative for the region and provide an idea on what needs to be done to be successful in the future.

Mayor Lane expressed that a concern that arose is that the definition of the end product, which he now understands is a set of initiatives.

Chair Hallman stated that the EDC has as its charter examining and understanding economic development in the context of what MAG does, for example, transportation planning. He said that questions were asked earlier in the meeting regarding the cost/benefit analysis of options on Loop 303 and this is an important way to address transportation planning. He noted that the intention of the EDC is to take MAG resources to pull together the region for economic development. Chair Hallman stated that for years, the agencies in the MAG region have been competitors and MAG may be the one place where parochial interests are set aside. He stated that MAG is a transportation agency but there also are RPTA and METRO and then each city has transit and transportation departments. Chair Hallman stated that MAG has been able to bring together its work and coordinate with the state to execute the plan. He stated that the EDC is not trying to duplicate efforts, but to create connections to work together to become globally competitive. If each agency remains in its silo competing against one another, we will lose opportunity instead of advancing it. Chair Hallman stated that transportation supports economic development, not the other way around, and freeways are built to support quality of life. He stated that various functions are performed by multiple agencies, such as intergovernmental relations, which we have not coordinated well. Chair Hallman noted that GPEC took the lead role to have a bill that would have provided Apple Corporation with everything it required to locate in this state and it was vetoed last year. He added that most people were not even aware the bill existed, and that is where he thought that elected officials can help advance the cause. He said that economic development does not start or end at MAG, but MAG can support other agencies, such as GPEC or individual cities. Chair Hallman stated that the first editorial on the business plan was how we bring ourselves together and create a regional look at opportunities, and have a system to execute opportunities. He commented that he did not think the lead initiatives will advance very far without buyin.

Mayor Lane stated that when the EDC was established, it was transportation related, and tied into efforts such as the Sun Corridor. He said that it did morph into a business development and economic development focus. Mayor Lane stated that what he hears is that it is not a set of initiatives but a new system being developed and operating as more of a collective state than in the past. He said that the view Mayor Hallman expressed overemphasizes the disjointedness of the system and strategies employed before. Mayor Lane stated that the ACA is still in some disarray and once held promise it would take

a better role than it has at this point in time, however, GPEC has been a leader and has even taken more of a statewide effort regarding legislation. He said that his question is once this draft is developed how will we accept and implement it without wasting a lot of time and the progress that has been made over the past couple of years.

Chair Hallman expressed his appreciation that Mayor Lane perceived the system better than Mayor Hallman painted it, but he had been here longer and had seen how dysfunctional it can be. Chair Hallman stated that these are non-legal systems and he was not suggesting replacing anything. GPEC is an extra governmental agency and is working today because of a lot of hard work to stop the fighting. There is still fighting that occurs. Chair Hallman stated that a number of East Valley cities pushed hard to make sure the freeway system gets built in the West Valley, but this is not about east versus west, it is about trying to recognize we can do better. Chair Hallman stated that GPL has 40 agencies and GPEC has 20 agencies, in addition to MAG members, and this process will help connect those agencies better. He said that the system that results will not be a governing system but how we work together and Brookings can document the process so people will know how it works. Chair Hallman stated that the lead initiative will help us see the potholes in the road to cooperation and success.

Mayor Schoaf stated that confusion is building about the EDC and the Metropolitan Business Plan initiative. He said they are two totally separate efforts. He said that the EDC has exactly the same mission as when it first started, which is to foster institutional knowledge on economic development issues to fulfill MAG's responsibilities as a transportation planning organization and MAG's role as a cooperative voluntary organization between governmental bodies to discuss policy issues. Mayor Schoaf stated that is all the EDC is. He said that the EDC has spent a lot of time identifying and understanding issues. The only effort the EDC has undertaken is the border initiative and that is appropriate to foster a statewide awareness that the border is important to economic development in the state. Mayor Schoaf stated that the Metropolitan Business Plan is an effort where the EDC and MAG joined with other agencies to work with Brookings to come up with an initiative or two, but they are not identified yet. He stated that the EDC is not involved with the Brookings process. Mayor Schoaf stated that the Brookings process includes a Leadership Advisory Team with EDC members on it, along with ACA, GPEC and college representatives, that is guiding the Metropolitan Business Plan initiatives, but is separate from the EDC.

Chair Hallman noted that the EDC is the touchpoint for the Metropolitan Business Plan at MAG.

Mayor Lane stated that the association is easy to draw since the EDC initiated the effort and the funding. He said that they may be separate components now, but his concern is that a new strategy will bring in multiple agencies to implement this by virtue of MAG's working on it. Mayor Lane expressed concern for being distracted from efforts already in place. He commented that there will be bumps in the road no matter what and initiatives and coordination of scores of multiple agencies will not get us past that. Mayor Lane suggested perhaps consolidation rather than coordination is in order.

Chair Hallman noted that a new agency is not anticipated.

Mayor Lane stated that this project is coming through MAG.

Chair Hallman stated that this project is through Brookings and MAG needs to be involved and has a role in it. Brookings is the process manager. Chair Hallman stated that there have been efforts to consolidate, for example, RPTA and METRO under one executive, and it took six years. He recalled the two and one-half year process to identify planning agencies' roles and how some of those could be consolidated to eliminate overlap.

Mayor Wolcott stated that although this has been instructive conversation, her biggest concern is that this process is so far down the road and this is the first time there has been this level of discussion at Regional Council. She stated that she was an original member of EDC and had an understanding of its role, but lost touch when she resigned from office to run for mayor. Mayor Wolcott stated that now she is trying to catch up. She said that it is difficult when there is no meaningful discussion of an important initiative at this level. Mayor Wolcott stated that we need to know who is feeling upset because we all need to work on this together.

Chair Hallman asked for clarification of who is feeling upset.

Mayor Lord stated that questions have not been answered. In some of the conversations she has been privy to, it is her impression that words like issues are used, but not are well-defined for new people. She stated that her concern that some try to control the city economic development departments. Mayor Lord stated that compared to other states she has lived in, she felt there was a lot of cooperation in this state and the East and West Valleys are coming together. She noted that the West Valley is in the same position as the East Valley was several years ago with lots of land to develop. Today, the East Valley does not have a lot of land left to develop. The problems the East Valley had in yesteryear are transferring to the West Valley. Mayor Lord stated that the West Valley is now at the point in time to develop. She stated that she did not want a committee to control what incentives her city might want to give a company that the East Valley feels unfair because they are past that point. Mayor Lord stated that the East Valley had the opportunity to develop their land years ago, and she was happy for them. She expressed that she felt there was a lot of cooperation; she could call any mayor, East or West Valley, and talk to them and get advice or assistance. Mayor Lord stated that she was not sure the direction or what controls this group will impose.

Chair Hallman clarified that the EDC has never discussed incentives nor does the Brookings document, and an examination of the minutes will show this.

Mayor Lord asked if cities will be assured that this effort will provide help with information and assistance but not get into other areas of economic development.

Chair Hallman stated that the EDC has a mission and the Brookings Institution initiative was to cooperatively try to identify economic development opportunities that could be advanced together. He stated that without economic development, the huge amount of empty homes in the West Valley will not be filled. Without economic development Texas will continue to take over the produce processing industry from Arizona. Without cooperation, it is likely that I-11 will not be built. Chair Hallman stated that those are regional issues outside of her city and outside of MAG. He stated that the reason there is a joint resolution supporting the ports of entry is because the EDC developed it with other agencies

across the state and promoted it. Chair Hallman stated that the EDC is a subcommittee of the Regional Council and any actions it takes cannot proceed without the approval of the Regional Council. He stated that neither the EDC nor Brookings is going to the Legislature to pass legislation that eliminates the same incentives used by the East Valley that the West Valley would like to use. Chair Hallman stated that an example of legislation that failed is the proposal by GPEC to develop a source of funding for the development of high tech industries, which would have been beneficial to the West Valley as well as the East Valley. Chair Hallman expressed that he appreciated there are new people at the table, but if someone says it is trying to eliminate incentives for the West Valley to use, it is not true.

Mayor Lord stated that she had not said EDC was trying to take away incentives. She said that she got this information from staff at a meeting. Mayor Lord stated that she just wanted to make sure there were no attempts to control the cities' use of incentives. She said she was not negative toward the East Valley and her city supports GPEC which has helped it advance, but she felt the direction of this project was not clear. Mayor Lord expressed that she agreed with the resolution for support of the ports of entry and being competitive with Texas, but the failure of the bill is at the feet of the Legislature and the Governor, not GPEC.

Chair Hallman stated that for failure of cooperation among the interested agencies, that bill got vetoed. And the same people who were responsible for not getting the bill in the Governor's hands are trying to get an identical bill passed one year later and it is because the economic development departments of each agency are individually interested. He said that no one is trying to control anyone, just trying to make sure the east side and west side have conversations.

Mayor Smith stated that he was not sure what was being debated here. He expressed that he understood the concerns of Mayor Wolcott and Mayor Lord. Mayor Smith stated that this process has been underway for one year, and those involved since the inception take for granted that those who join the process in the middle will understand. He stated that the Metropolitan Business Plan was presented as an opportunity and nothing more, to take what we have and build upon it and to take whatever system we have and improve it. Mayor Smith stated that we are no longer a collection of cities, but a metro economy, like it or not. He stated that Brookings first approached him about a program that had been successful in other metro areas identifying strengths and opportunities they could pursue. Mayor Smith stated that the structure was not to supplant, but to identify opportunities that all members in the region could take advantage of. Some of the things in the region are done well and some are done poorly, but the idea was through the MBP we could bring together resources that never worked on this kind of a process before. Mayor Smith stated that having an internationally known, experienced and unbiased organization like Brookings do this is a real opportunity. He said that Brookings looks at the metro area, and really the entire Sun Corridor, as having unlimited potential and their question was, "How can we help you put in the systems to help you exploit the assets you have?" The strengths of the cities, the region, and the state are the reasons we embarked on this endeavor. Mayor Smith stated that Brookings asked him if they came to this region who they could work through that could bring parties together. He said it was recognized that the EDC is the one place everyone – the elected officials of cities, ACA, GPEC, GPL, WESTMARC, East Valley Partnership, etc. – showed up at the same place once a month. In addition, MAG has a lot of data that are essential and it is expert at processing and packaging data. Mayor Smith stated that it took debate at a couple of Regional Council meetings for people to come to

agreement and support the formation of the EDC. Mayor Smith expressed that he hoped this background would help in understanding. Mayor Smith stated that no one is trying to supplant anyone. He said that he had met with Barry Broome on the best way to create opportunities. Mayor Smith stated that this process is at half time, and we are in the locker room reviewing the first half and discussing problems encountered and what can be done to take it to the second half. He said that some of the questions are who do we need to further involve or what approach might need to be tweaked. Mayor Smith stated that it was understandable that new members would not understand the process – he would not understand it, either, and maybe we need to do a better job of redefining the focus. Mayor Smith stated that he hoped to have a document out of this process that could be used by everyone that identifies ways to work together. He noted that outside organizations – GPL, GPEC, each city, Sun Corridor agencies – could use it to benefit their mission. Mayor Smith stated that we would also have something that is recognized outside our boundaries, and the next time a company shows up at GPEC they will understand what this region has to offer. Mayor Smith stated that we have unlimited opportunities and all could share the wealth.

Chair Hallman stated that all of the agencies Mayor Smith mentioned are on the Leadership Advisory Team, which is working with Brookings. He noted that the Leadership Advisory Team reports to the EDC, which reports to the Regional Council. Chair Hallman stated that perhaps different representatives to untangle the tangles and bring it to a level of effort to get a product that will be useful to the cities, MAG, and other agencies are needed. Chair Hallman stated that the current players around the table are not the biggest hitters for their agencies. For Brookings to be successful here as elsewhere, the hitters from the biggest companies and the heads of universities are at the table. Chair Hallman stated that the second half is where this will take place.

Mayor Lane referenced Mayor Smith's comments on Brookings' level of success of Brookings and was told it was too early and he did not know if anyone concluded there was a determined level of success in previous developments. Mayor Lane referenced the concerns about governance, the level of control and whether compliance would be required or not. He stated that if we sign on we have a moral obligation to follow through with the business plan but there may be conflict with those who voted to elect leaders. Mayor Lane stated that he did not think the governance issue had ever been addressed. He stated that a concern other than the lack of definition, is the concern raised by Mayor Wolcott that the Regional Council had not had a conversation about this project. Mayor Lane stated that he was involved in this process since the beginning and it was a leap of faith exactly what was the goal or the end product. He stated that his question was are we looking at a new agency, statutes, or new strategy, and how is it implemented.

Chair Hallman directed that draft documents be provided to everyone so they could see there are no statutory recommendations.

Mayor Lane stated that he understood it was now a consultant who would be putting together some initiatives. He indicated that he just did not want any misrepresentation about the success level of Brookings, which he knows now is separate from the EDC and added that a lot of his questions had been answered.

Mayor Wolcott expressed her appreciation to Chair Hallman for including this discussion on the agenda. She said that she felt the conversation had been useful. Mayor Wolcott stated that mayors can relate to the feeling when a member of their council might feel they are not in the loop. She stated that it is important to stay up to speed. Mayor Wolcott expressed that she supported the creation and work of the EDC and she was proud to be back on the committee and hoped to see it continue. Mayor Wolcott urged better communication on initiatives of this magnitude to the full Regional Council, otherwise, full buyin is difficult. She thanked Chair Hallman for agendizing this item, Mayor Smith for bringing the initiative to the Valley, and said she looked forward to the second half.

Chair Hallman directed that a copy of the resolution creating the EDC be provided to the Regional Council to show its scope of work and charge. He stated that moving Brookings forward has taken a lot of effort and a lot of people. Chair Hallman stated that the budget outlay is approximately \$150,000 over two years and that is to be raised from the private sector and the Leadership Advisory Team is tasked with raising the funds.

Mayor Lord thanked Chair Hallman and she added that it was a very worthwhile explanation. She said that she wanted the Regional Council to be aware that she, her city manager, and her intergovernmental representative met with Mr. Smith after a staff member reported back after a meeting. Mayor Lord stated that implementation is the concern for her, and she said they were very clear about their concern for controls. She stated that they are aware of the amount of work that has gone into the effort. They respect staff and Brookings and do not want to give the impression they are minimizing any of it, but it is better to present concerns at the beginning and not at the end. Mayor Lord stated that after this conversation she felt a little more comfortable, not totally though, and that she appreciated the time given to her today to be a part of the conversation.

Mayor Lane stated that Chair Hallman had mentioned the allocation of \$150,000 that was to come from the private sector, but he recalled an allocation up to \$350,000 previously. Mr. Smith replied that it was \$150,000 to Brookings and the idea was to have the private sector cover this amount. He said that the \$75,000 for the first year to seed the effort and then started making phone calls for funding by the private sector. Mr. Smith stated that MAG has contracts with Elliott Pollock, Value Point Solutions, and Michael Gallis.

Mayor Lane stated that those amounts were laid out early on and he remarked that in a world that deals in hundreds of millions of dollars, \$500,000 (\$350,000 + \$150,000) is not a lot of money, but is significant. Ms. St. Peter clarified that \$150,000 is to Brookings, a little over \$138,000 to Elliott Pollack and Michael Gallis, and \$88,000 to Value Point Solutions. She noted that the initial proposal included the in-kind contribution of MAG staff time.

Chair Hallman stated that the total is currently at \$376,000 with \$150,000 being raised from the private sector, of which \$75,000 was advanced by MAG upfront. He said that the outlay by MAG is currently \$301,000, of which \$75,000 is to be repaid by the private sector, for a total of \$226,000 from MAG.

Mayor Smith stated that Mayor Lane was correct that this is a leap of faith; this is aspirational and there is nothing wrong with that. He stated that he thought that this region has lacked in high aspirations. This

region did well with a growth economy until there was no more growth. Mayor Smith stated that what has been discussed is recalibrating ourselves. If we hope to create sustainable jobs, we can choose to retain the status quo and hope it works or we can be aspirational and see how we can do this better and realize it is not the same region or world as five, ten or 20 years ago. This was a stretch and an opportunity to benefit the entire region. Mayor Smith stated that each entity could choose to put their specific resources into play. He said that hopefully, we raised the bar and set a standard that is different, not high in the sky aspirations, but different. Mayor Smith stated that Brookings with a proven track record is following a model that has been used before and they have data resulting from projects in other regions. He said that he hoped this region is aspirational and reaches higher. Mayor Smith expressed his hope that we get out of the discussion and become aspirational and discuss why we can do this. He said that he would rather start with leaps of faith that have a solid basis if we are going to elevate ourselves to reach our potential.

Mayor Lane stated that he felt Mayor Smith was right and he was more than willing to take a leap of faith and make decisions for a problem that might be perceived. He thanked Chair Hallman for agendizing this item and Mayor Smith for his explanation. Mayor Lane stated that he might still have feelings of doubt, but the project was better explained.

Mayor Smith commented that the impetus was not really a problem, but an opportunity.

Mayor Schoaf added that the problem was basing an economy on homebuilding and growth and that is not sustainable. He said that we need to figure out how to leverage our strengths so there are not as many boom and bust cycles. Mayor Schoaf referenced concerns for control by saying that nothing the EDC or Brookings has done will control any city's economic development activity. He stated that whether a company locates in a particular city is not an EDC or Brookings issue at all, and he said that issues regarding any particular company should be dealt with by GPEC or local economic development activities. Mayor Schoaf stated that the EDC's interest is whether there are any policy issues, like the ports of entry, that are impacting the region or state and should be addressed. He said that the EDC and Brookings looks at ways that we can work better together, such as green technologies, and nothing to do with any particular company, but rather what can we do from a policy standpoint to help and further that kind of business. Mayor Schoaf stated that it is not about individual jurisdictions, control or companies.

Mayor Mook stated that as a new mayor of a small city that had significant problems and needed significant assistance, she could attest that they have had conversations with the Cities of Mesa, Peoria, and Glendale, Maricopa County, MAG and ADOT and have gotten nothing but support when they needed it. She expressed her appreciation for the assistance they received. Mayor Mook stated that her city cannot afford to be a member of GPEC, but any opportunity on jobs, transportation, or technology surrounding them is a benefit to their city.

Chair Hallman stated that any recommendations made by subcommittees of the MAG Regional Council must receive the approval of the MAG Regional Council. He indicated that he could not take the credit for agendizing this item as much as it was Ms. St. Peter saying a status report to the Regional Council was needed. Chair Hallman stated that the scope of this project is beyond our borders. He said that years

back, it was realized that air quality and transportation planning do not work without Pinal County and Pima County working with us because the freeways do not come to a stop at the Maricopa County borders. Chair Hallman stated that we now have this three county economic development discussion, and he said there are no authorities or legal rights there, but is an opportunity for Arizona to do better. He said that the Regional Council took action to establish the EDC and he spoke of the EDC's efforts to develop and support a resolution on the Arizona ports of entry because our international trade with Mexico was falling off significantly to our competition, Texas. Chair Hallman stated that many jobs associated with that trade are now in Texas instead of Arizona and that hurts us. Chair Hallman stated that we rose to help Nogales and San Luis because it is in everyone's best interests. He expressed that this is the result of the Regional Council and that he is proud he was the Chair of MAG when the steps were taken to rectify this situation.

Mayor LeVault defined faith as the substance hoped for and the evidence of things not seen, which he thought described government. He said he had been at MAG for five years and has watched with pride as more and more steps toward regionalism are taken. Mayor LeVault expressed his appreciation for the statements encouraging regionalism made by Mayor Stanton. He stated that the region's problem is the same as every other region in the country – to provide services with shrinking resources. Mayor LeVault stated that the genesis for the solution to any problem is discussion. He said that anything that can be done to enhance regionalism, even if they do not work out, is on the right path.

Supervisor Wilson expressed that he gets nervous when he hears leap of faith and he encouraged that extreme caution be exercised when dealing with people making promises on profits that can be shared from things such a solar power, but cannot produce them. He reported that the County had David Smith to protect them and he would rather go more slowly when considering these types of projects. Supervisor Wilson requested that people share their experiences, good or bad.

No public comment cards were received.

9. Development of the Draft FY 2013 MAG Unified Planning Work Program and Annual Budget

Due to the length of the meeting, Chair Hallman stated that members had received the agenda material, and he suggested taking questions and omitting the staff report.

No questions or input from the Council were noted. No public comment cards were received.

10. Legislative Update

No report.

11. Request for Future Agenda Items

Topics or issues of interest that the Regional Council would like to have considered for discussion at a future meeting were requested.

Chair Hallman suggested that the resolution establishing the EDC be sent out to the Regional Council and if anyone would like a presentation in its mission, the item could be scheduled for the next meeting.

Mayor Schoaf noted that the two year review process of the EDC is just getting underway.

Chair Hallman noted that having it on the Regional Council agenda could address any concerns or questions.

Mr. Smith stated that the EDC will be discussing the surveys at its next meeting. He noted that the committee would sunset in October if nothing is done.

Mayor Schoaf noted that a report on EDC activities is sent out each month.

12. Comments from the Council

An opportunity was provided for Regional Council members to present a brief summary of current events. The Regional Council is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

Mayor Lewis noted that the Greater Phoenix Rising website was now linked through the Town of Gilbert website as of 11:45 a.m.

Adjournment

There being no further business, Mayor Wolcott moved and Councilman Esser seconded the motion to adjourn the meeting at 1:30 p.m.

Chair

Secretary